

KENTUCKY INFRASTRUCTURE AUTHORITY
Proposed Projects Involving the General Fund (Cash or Bonds)
(amounts in **bold** are the total budget)

2012-2014

(Projects listed by agency priority; descriptions are from the agency submission)

1. KIA Fund A - Federally Assisted Wastewater Program.....\$145,120,000
GF - \$7,520,000; FF - \$37,600,000; AB - \$100,000,000

The Fund A (Federally Assisted Wastewater Revolving Fund Program) finances local wastewater treatment and collection facilities that qualify under U.S. Environmental Protection Agency requirements. Funds are provided by the United States Environmental Protection Agency through capitalization grants of 83.33 percent of the total project. The state matches these funds with a 16.67 percent match of the total project through issuance of General Fund-supported debt. Four percent of the capitalization grants are reserved for the program's administrative costs. The federal funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act. (GL)

CPAB Staff Notes:

- *Plan proposes the same GF, FF, and AB amounts in 2014-16 and 2016-18.*
- *Funding in the current budget is \$210,000,000 (BF - \$20,000,000; AB - \$100,000,000; FF - \$90,000,000).*
- *The 2010-12 budget reauthorized \$200,000,000 in agency bonds for the Fund A Program.*
- *KIA notes that the Fund A Revolving Fund Account, accumulated from loan repayments, is held at a trustee bank and that future repayment from the leveraged loans will be pledged for the annual debt service on the proposed agency bonds. No General Fund appropriation is requested for agency bonds.*

2. KIA Fund F - Drinking Water Revolving Loan Program\$57,160,000
GF - \$5,360,000; FF - \$26,800,000; AB - \$25,000,000

The Fund F (Federally Assisted Drinking Water Revolving Loan Fund Program) finances local drinking water facilities that qualify under U.S. Environmental Protection Agency requirements. Funds are provided by the United States Environmental Protection Agency through capitalization grants of 83.33 percent of the total project. The state matches these funds with 16.67 percent match of the total project through issuance of General Fund-supported debt. Four percent of the capitalization grants are reserved for the program's administrative costs. The federal funds for this program are appropriated in the operating budget to comply with the Federal Cash Management Act. (GL)

CPAB Staff Notes:

- *Plan proposes the same GF, FF, and AB amounts in 2014-16 and 2016-18.*
- *Funding in the current budget is \$97,000,000 (BF - \$12,000,000; AB - \$25,000,000; FF - \$60,000,000).*
- *The 2010-12 budget reauthorized \$30,000,000 in agency bonds for the Fund F program.*
- *KIA notes that the Fund F Revolving Fund Account, accumulated from loan repayments, is held at a trustee bank and that future repayment from the leveraged loans will be pledged for the annual debt service on the proposed agency bonds.*

3. KIA Fund B Infrastructure Revolving Fund\$100,000,000

The Infrastructure Revolving Fund (Fund B) was created by KRS 224A.112 for the construction and acquisition of infrastructure projects such as construction or acquisition of treatment works, distribution facilities, or water resources projects; solid waste projects; broadband deployment project; or any other public utility or public service project which the authority finds would assist in carrying out the purposes set out in KRS 224A.300. This program can be used to fund wastewater and drinking water projects that have received a high ranking by the Area Water Management Councils. The Area Water Management Councils identify the projects that are vital to expanding the Commonwealth's economy and quality of life. It is critical that these projects receive funding. (GL)

CPAB Staff Notes:

- *No funding has been authorized for this program since the 1998-2000 budget.*
- *Additional GF are proposed for 2014-16 and 2016-18 (\$100,000,000 each).*

2014-2016

(Projects listed in alphabetical order)

KIA Fund A - Federally Assisted Wastewater Program.....	\$145,120,000
KIA Fund B - Infrastructure Revolving Fund.....	100,000,000
KIA Fund F - Drinking Water Revolving Loan Program.....	57,160,000

2016-2018

(Projects listed in alphabetical order)

KIA Fund A - Federally Assisted Wastewater Program.....	\$145,120,000
KIA Fund B - Infrastructure Revolving Fund.....	100,000,000
KIA Fund F - Drinking Water Revolving Loan Program.....	57,160,000